

TRUST LAND MANAGEMENT DIVISION

WORK ACCOMPLISHMENTS FY 2006

Personnel Management

- A. Develop a work environment that fosters cooperation, trust, motivation, and job growth.
- B. Coach, develop, and mentor employees.
 - 1. Provide leadership training opportunities to employees to promote professional development.

- Conducted “7 Habits of Highly Effective Managers on 12/2/05. Attended by 22 employees.
- Provided “21 Laws of Leadership” training to Helena division personnel from 7/1/05 – 3/2/06.
- TLMD/Forestry employees completed the following training:

<u>Training</u>	<u># of Attendees</u>
Meetings for Results	2
Time Management	12
Adv. Communication	11
Adv. Comm. Non-Managers	3
Adv. Comm. Managers	5
Recruitment/Selection	1
Access	1
Word	1
PowerPoint	1
Performance MGMT	1
ADA/FMLA/Procurement Procard	2
SABHRS Spreadsheets	1
Conflict MGMT – State Fund	1

- NWLO conducted a two-day Leadership Summit on 4/26/06 and 4/27/06
- 2. Provide technical training opportunities to employees to promote job competency.
 - Forest Management Bureau conducted Uneven-aged Silvicultural Workshop on June 20 – 22, 2006.
- 3. Recognize outstanding performance in a timely manner.
 - Awarded 4 divisional POP awards for FY06.

4. Identify candidates for annual awards recognition by May 15, 2006.
 - Recognized the following employees with awards:
 - Director's Award (Minerals Management Team)
 - Administrator's Award (Hayes)
 - Specialist (Bollman)
 - Forester (Storer)
 - Support Staff (Hulett)
 5. Promote accountability of all employees through appropriate use of incentive and disciplinary measures.
 - Awarded 4 divisional POP awards for FY06.
 6. Complete all performance appraisals and career development plans by December 31, 2006.
 - Completed.
- C. Continue to refine Pay Plan 20, with employee input, to encourage future movement toward market.
- DNRC implemented a 1% move to market for employees at or below 95% of their market rate.

Enhance rate of return from trust lands (Return on Asset Report)

- FY04 Net Revenue from land management: \$35,751,478
 - FY05 Net Revenue from land management: \$49,004,805
 - FY06 Net Revenue from land management: \$68,337,559
- A. Allocate personnel to programs to promote highest return from land while meeting statutory obligations.
- In FY06, NWLO re-organized to better allocate personnel resources to meet existing and future workload.
- B. Maintain or limit increases in operational costs.
- Operations expenditures show a modest increase from \$3,147,540 (including \$339,844 in OTO costs) in FY05 compared to \$3,153,105 at FY06. However, operational costs in FY06 include \$100,000 in additional spending authority for land banking.

- C. Implement programs to increase trust land revenue.
1. Participate fully in oil and natural gas development in eastern MT.
 - In FY06, record high oil and gas prices resulted in a significant increase in leasing activity on state lands. The number of mineral leases in FY05 increased 21.2% to 4,160, compared to 3,431 in FY05. Oil and gas lease increases of 21.9% accounted for the overall increase in mineral leasing in FY06. Oil and gas leases totaled 4,023 as compared to 3,300 for FY05. Producing oil and gas leases only increased slightly to 578 from 575 during FY05, which indicates that large revenue gains this fiscal year are attributed to price and quantity increases on existing leases. Acreage for all mineral leasing activity increased by 18.9% for FY06 while producing acreage increased 5.3% for FY06.
 - Land Board approved 28 CBM wells in Big Horn County, MT.
 2. Implement sustained-yield calculation.
 - FMB sold 53.3 mmbf of timber in FY06.
 3. Develop high-potential commercial and residential properties in urban growth areas.
 - Costco opened in the Spring Prairie Center in FY06.
 - Received and evaluated four proposals for long-term commercial leases.
 4. Utilize land banking to dispose of poor performing properties while acquiring accessible higher revenue-producing properties.
 - Processed 55 parcels totaling 26,145 acres in the Land Banking Program. Ten parcels were auctioned totaling 2,645.2 acres in FY06. The highest value parcel sold was an 85 acre tract in Section 36, a residential subdivision in Kalispell. The parcel was sold at public auction for \$6.4 million. Although the sale was conducted in FY06, revenue will be realized in FY07, due to the closing date for the transaction.
 5. Implement the Whitefish Plan and seek out other conservation leasing/easement opportunities.
 - Three proposals have been recently presented to the TLMD:
 - Construct and maintain a trail system.
 - A conservation-oriented land exchange.

- Accommodation of sanitation drainfields, outstanding private access issues, and sanitation system needs for Trust Land development.
- 6. Review royalty rate on oil and gas.
 - Completed. The Land Board adopted new royalty rates at the October 17, 2005 Land Board meeting and set the rate at 1/6.
- 7. Break suitable classified grazing lands and convert to classified agriculture.
 - Reclassified 229.7 acres from grazing to agriculture.
- 8. Implement new surface damage payments policy.
 - Completed. Generated \$144,433 at the end of FY06.
- 9. Review the agricultural cash leasing statute, rules, and policy.
 - Ongoing development of a GIS based system to facilitate cash leasing if passes by the 2007 Legislature.
- 10. Diversify trust land portfolio through land exchanges/land banking.
2030 Goal: 68% grazing, 20% agriculture, 10% timber, 2% other.

Resource Management/Stewardship

- A. Complete all agricultural and grazing lease renewal evaluations and take corrective actions to address any management problems.
 - Completed inspections for 913 leases containing 1,332 tracts.
Renewed 24 leases with five year terms.
91 leases were issued with special lease stipulations.
- B. Complete timber sale inspection reports and take corrective actions to address any management problems.
 - The timber sale inspection form was significantly revised in FY 06 through cooperative efforts between the Forest Management Bureau and field personnel. Revisions to the timber sale inspection report improve documentation and feedback to the purchaser on timber sale compliance and performance. Inspection reports for active timber sales are filled out by the sale administrator with copies given to the purchaser and placed in the timber sale file.

- C. Identify and resolve minerals management problems on oil, gas, or coal leases.
- Conducted 1,225 field reviews by field office and mineral type.
- D. Inspect all cabin/homesite and special leases/licenses currently up for renewal/review and/or areas in decline and take corrective actions to address any problems.
- Completed 162 inspections and 5 follow-ups.
- E. Develop and implement DNRC/TLMD weed management plan.
- Submitted 56 county weed biennial performance reports to the Department of Agriculture.
 - Completed and implemented weed management plans for the area Land Offices.
 - Began work on a statewide DNRC weed management plan.
- F. Complete Forest Improvement projects within budgets, treatment plans and timelines.
- The Forest Improvement (FI) program involves implementing projects that improve the condition and revenue potential of forested state trust lands. FI projects completed during FY 06 included planting, burning, growing seedlings, tree improvement efforts, thinning, weed spraying, regeneration surveys, access acquisition, road inventories, and road maintenance. All FI projects were conducted within allocated budgets and timelines and met or exceeded accepted resource management standards.
- G. Complete State Forest Land Management Plan monitoring requirements and utilize data to design future projects.
- The State Forest Land Management Plan (SFLMP) Implementation Monitoring Report for fiscal years 2001-2005 was completed and published in October of 2005. The next 5-year monitoring report cycle for fiscal years 2006-2010 is currently underway with data being collected through timber sale inspection reports, BMP audits, and ongoing monitoring projects. This monitoring information is used in training sessions with field staff to continually improve resource management through better timber sale design and mitigations.

Budgeting

- A. Allocate and manage budgets within established parameters.
 - 1. Complete budget allocation by org by July 15, 2005 for FY06.
 - Completed.
 - 2. Review mid-year budget analyses provided by Bureaus/Area Offices and prepare Mid-year report for Director and TLMD/CSD Administrators by February 28, 2006.
 - Completed.
 - 3. Re-allocate budgets to address unforeseen shortfalls in personal services by March 15, 2006.
 - Completed.
 - 4. Complete FY06 year-end projections by May 21, 2006 and re-allocate resources to address year-end operating and capital priorities across the division.
 - Completed.

Planning

- A. Complete Real Estate Management Programmatic EIS.
 - Adopted by the Land Board on July 18, 2005.
- B. Complete draft Habitat Conservation Plan (HCP). Final EIS to be completed by FY08.
 - Conservation strategies completed and sent out for public review on October 5, 2005 .
- C. Participate in the EQC studies for contract harvesting (HJ 33) and TLMD administrative funding issues. Develop white papers and EQC recommended legislation for next legislative session.
 - White paper and legislation completed in spring 2006.
- D. Complete Return on Asset Report for FY05 by November 2006.
 - Completed.
- E. Complete the “Scoreboard Study” for trust lands by January 2006.
 - Draft completed October 2006.

AGRICULTURE & GRAZING MANAGEMENT

Lease Inspections and Evaluations

- Completed inspections for approximately 913 leases containing 1332 tracts. Twenty-four leases were issued with five year terms, the balance for ten year terms. Approximately 26 leases were issued with associated agriculture uses and 91 leases issued with special lease stipulations.

Lease Management

- Approved 26 cash leases.
- Reviewed and processed 5 break requests totaling 309 acres.

Lease Administration and Assistance

- Reviewed 75 improvement requests.
- Reviewed and approved 577 assignments.
- Reviewed and approved 10 sublease applications.
- Reviewed and approved 249 pasturing agreements.
- Reviewed and approved 1 custom farming agreement.

Federal Farm Program Administration

- Direct and Counter-cyclical Payments Program (DCP) – Reviewed and approved DCP contracts (CCC 509's) for all (approximately 2,000) farms containing state agricultural lands.
- Loan Deficiency Program (LDP) – Reviewed and applied for LDP contract payments on qualifying crop production from state lands.
- Conservation Reserve Program (CRP) – Reviewed and approved applications for new ten-year CRP contracts, maintained existing contracts on approximately 145,000 acres and reclassified lands associated with expiring contracts. Initiated renewals of CRP contracts expiring in 2007. Secured funding in the amount of \$93,115 to pay the compliance review fees for these contracts, and subsequently billed lessees for their portion.
- Environmental Quality Incentives Program (EQIP) - Reviewed and approved contracts for lessee participation in EQIP contracts on state lands.
- Management of State Farms – Reviewed and approved requests to recombine or break out state lands from existing Farm Services Agency farms.

Resource Development and Management

- Reviewed and processed 25 water right permit permits.
- Worked on one contested water right hearing.
- Reviewed 410 Teton Basin Water right decree and prepared objections.
- Served as the DNRC representative to the US Army Corp of Engineers 404 Interagency Committee.

- Conducted willow collections for the Big Hole Grayling restoration project and the Red Rock Grayling stream enhancement project.
- Assisted with dam safety inspection inventory on Trust Lands.
- Conducted nineteen cultural/paleontologic inventories, which covered a total of 5800 acres of land. The projects inspected are categorized as follows:
 1. 4 road easements
 2. 1 stock water pipeline project
 3. 6 timber sales
 4. 6 range renovation proposals
 5. 2 wind farm development sites
 6. 2 sod break proposals
 7. 5 Parcels nominated for Land Banking (3200 acres)
- Documented during the course of those inventories, 16 newly identified cultural resource sites. Site 24RA667 was evaluated.
- Assisted DEQ with cultural resource compliance surrounding Major Facility Siting Act issues for the proposed Wind Hunter wind energy development project in Valley County, Montana.
- Worked cooperatively with the BLM and WAPA concerning the documentation, evaluation, mitigation, recovery, and curation of state owned artifacts and paleontologic specimens within the area of potential effect of the proposed Wind Hunter wind energy development project in Valley County, Montana.
- Developed general terms of reference for the documentation and significance evaluations of common surface stone features sites on state lands.
- Reviewed and consulted with the SHPO concerning 27 consultants' reports covering a total of 575 acres of state land and 5 cultural resource sites. Those inventories were carried out in response to oil, gas or coal bed methane developments, gravel pit proposals, and highway reconstruction projects.
- Prepared detailed site forms and maps for 4 railroad sites in Sweetgrass, Stillwater, Richland and Wibaux Counties.
- Ensured finalization, distribution, and consultation of a cultural and paleontologic resource inventory report of the inspection of 7,720 acres of land in the Otter Creek drainage. The report was completed ahead of schedule.
- Provided internal review and comments on approximately 86 proposed DNRC undertakings for which EA checklists are required.
- Drafted language for an Invitation for Bid (IFB) and associated terms of reference for contracting a consulting archaeologist to conduct a cultural/paleontologic inventory of approximately 21,000 acres of land nominated for Land Banking in Chouteau, Custer and Garfield Counties.
- Submitted 56 county weed management biennial performance reports to the Montana Department of Agriculture.

FOREST MANAGEMENT

Forest Operations Section – The Forest Operations Section includes the timber sale, access and forest improvement programs.

Table 1 – Cut Volume and Value for FY06 (7/1/05 to 6/30/06)

Land Office	Total Volume (MBF)	Total Value (\$)
NWLO	33,675	\$8,805,202
SWLO	16,378	\$3,436,040
CLO	3,674	\$471,152
NELO, SLO, ELO	2,805	\$287,944
Cut Totals:	56,532	\$13,000,338
Total volume and value figures include sales and permits.		

Table 2 – Sold Volume and Value for FY06 (7/1/05 to 6/30/06)

Land Office	Total Volume (MBF)	Total Value (\$)
NWLO	29,632	\$9,639,670.11
SWLO	15,647	\$4,507,710.35
CLO	3,684	\$715,987.65
NELO	--	--
SLO	771	\$54,827.25
ELO	--	--
Permits (55)	3,605	\$652,547.00
Sold Totals:	53,339	\$15,570,742.36
*FI totaled an additional \$984,857.25. Therefore, the combined value of the timber sold plus FI totaled \$16,555,599.61 for FY 06.		

Forest Products Sales Program

- Harvested 56.5 MMBF for a total of \$13,000,338 in stumpage revenue and \$2,875,277 in Forest Improvement Revenue (Table 1).
- A total of 24 timber sales and 55 permits were sold accounting for a volume of 53.3 MMBF (Table 2).
- Continued to make improvements for ease of use and data mining in TLMS.
- Conducted TLMS forestry module training for several unit and area offices.
- Increased timber sale marketing efforts.
- Revised timber sale contract.
- Compiled contract logging white paper associated with HJ 33.

Access Program

- Negotiating new USFS easement language for the Cost Share program.
- Revised the Reciprocal Access and Easement Exchange policy.

- Implemented new procedures for easement accounting.
- Paid off Reciprocal Access Balance sheet.

Forest Improvement

- Conducted Uneven Aged management training on June 20-22.
- Initiated, negotiated and reached agreement on new western larch seed orchard agreement with Plum Creek Timberlands.
- Negotiated new contract for cone processing of over 600 bushels saving over \$25/bu.
- Continued to provide guidance on modeling of HCP strategies and growth and yield.
- Provided Silvicultural Reviews of timber sale projects at NWLO, SWLO and CLO.
- Conducted and presented results of three silviculture/growth and yield modeling pilot projects on the NWLO, SWLO, and CLO.
- Provided Forest Nutrition Training through Intermountain Forest Tree Nutrition Cooperative to DNRC, USFS, PCTC, and others.
- Helped provide technology transfer/training in reforestation at annual IERC seminar attended by over 250.
- Conducted 2nd year of research trials into the use of gibberellic acid (a growth hormone) to enhance production of seed cones in the ponderosa pine orchard.
- Directed field personnel and facilitated use of Airshed Management System for reporting burns.
- Analyzed year one of inventory plot data collection effort on regeneration units and presented results at Uneven aged management training.
- Purchased sufficient clean, high germination western larch seed for approximately 8 years of anticipated needs at price lower than collection costs.
- Participated in revising Prescribed Fire Manual with FAM and field personnel (400).
- Worked with field personnel on implementation of SFLMP and ARM for biodiversity, old growth and silviculture.
- Participated in writing and analyzing vegetation for 3 Creeks timber sale.
- Revised and updated sampling and survey procedures for natural and artificial regeneration.
- Completed silviculture and biodiversity sections of SFLMP monitoring report.
- Represented DRNC on steering committees of Intermountain Forest Tree Nutrition Cooperative, Inland Empire Tree Improvement Cooperative, Inland Empire Reforestation Council, White Pine Seed Orchard Group, and MT/ID Smoke Management Executive Board.

Forest Improvement (FI) Accomplishments FY06

FY 2006

<i>Plantation regeneration surveys</i>	502 acres
<i>Tree planting</i>	2,106 acres
<i>Tree browse prevention¹</i>	1,084 acres
<i>Precommercial thinning</i>	1,537 acres
<i>Noxious weed spraying</i>	4,731 acres
<i>Herbicide application²</i>	1,260 acres
<i>Brush piling</i>	1,654 acres
<i>Pile burning</i>	3,792 acres
<i>Broadcast burning</i>	417 acres
<i>Tree improvement areas managed</i>	32 acres
<i>Road maintenance³</i>	139 miles
<i>Hand brush work</i>	187 acres
<i>Cone collection</i>	629 bushels
<i>R-O-W Granted</i>	4 miles
<i>Received</i>	8 miles
<i>Trust Lands Accessed</i>	4,719 acres
<i>New public access</i>	1,990 acres
<i>Bio-control Bug Releases</i>	360 acres
<i>Roads Inventoried and Database updated</i>	213 miles

1. Tree browse prevention includes replacing, maintaining, or removing seedling netting, or applying a chemical repellent.
2. Herbicide application is associated with tree planting.
3. Road maintenance includes grading, snowplowing, bridge removal and upkeep, installing culverts, etc. Many of these activities do not lend themselves to reporting by miles.

Technical Services Section – The technical services section provides data, GIS and application development, analysis and support services for the forest management program and to other TLMD and Forestry Division programs.

- Stand level Inventory data collected and inspected for 2,745 acres for Plains Unit.
- Stand level Inventory data collected and inspected for 26,741 acres for Missoula Unit.
- Updated the SLI database and map based on 73 timber sales and permits.
- Updated the existing data or added new roads for 6,200 miles of road statewide.
- Wrote and awarded a third Stand Level Inventory Contract to inventory Plains Unit.

- Searched satellite imagery of uninventoried DNRC land and discovered 69,000 acres of potential forest land to be photo-interpreted at a later date.
- Revised the draft plot data collection protocol and continued collecting plot data. A total of 773 plots were measured in 66 SLI polygons.
- Designed the sampling procedure, collected the plot data and entered the data into a computer database for three silviculture/growth and yield study areas.
- Developed the process and began using combination GPS/electronic data collection devices in the field to collect plot and SLI data. This included integrating ArcPad with our current databases with import/export data capabilities. Also, developing programs to do plot allocations and compute statistical summaries within ArcPad.
- Conducted the following database development tasks in ArcGIS: an HCP geo-database that maintains topologically correct spatial data, began designing a geo-database for DNRC inventory data, began work on integrating validation rules into DNRC inventory geo-database.
- Developed the following programs for ArcGIS: plot allocation program, random polygon sampler, image radiometric normalization, and fix initial topology.
- Conducted one pre-timber sale cruising protocol test project at Anaconda Unit and arranged to conduct three more test projects at ELO, Helena Unit and Kalispell Unit.
- Visited the Helena Unit office to provide stand inventory updating training and visited Libby and Stillwater Units to discuss SLI data.
- Collected post-fire mortality monitoring data in the Sula State Forest.
- Continued the DNRC Inventory Data committee and chaired four meetings.
- Wrote and awarded a contract to develop a new timber sale cruising program to replace INVTRY.
- Initiated the formation of the Road Data Working Group and held three meetings.
- Reviewed and revised NWLO's road database and data handling process. Redesigned database to integrate with GPS data collection. Developed data collection screens for GPS data collection. Helped develop contract language for GPS data collection.
- Wrote the PD and hired a GIS Specialist.
- Assisted with three land exchange projects.
- Provided data and/or maps for 9 data requests from outside DNRC.
- Provide data and/or maps for 10 data requests from within DNRC.
- Prepared numerous maps, tables and spatial analyses for the HCP project.
- Developed programs to conduct moving windows analyses for road density and to calculate linear miles of road within a polygon for HCP project.
- Worked on HCP forest modeling committee.
- Initiated field testing of electronic relaskops and range finders.
- Set up an FTP site for moving large databases.

Forest Planning and Implementation Section - This section has overall responsibility for the development, revision, and implementation of the SFLMP, Forest Management Rules and current development of the HCP.

Habitat Conservation Plan (HCP)

- Completed public review and comment period for the Draft Conservation Strategies for Grizzly Bear, Canada Lynx, and Aquatics Species .
- Conservation Strategies revised based on the public review process.
- Preparation/Compilation of HCP Chapter 2 (Conservation Strategies).
- Preparation of HCP Chapter 3 (Monitoring and Adaptive Management).
- Continued GIS analysis for EIS Chapter 3 (Affected Environment).
- Preparation of EIS Chapter 4 (Alternatives).
- Submitted application for USFWS HCP Planning Assistance Grant.
- Responded to USFWS proposed designation of Canada lynx critical habitat.
- Revised contract with Parametrix to incorporate a more intensive budget tracking system.
- Recruiting for USFWS HCP project manager position.

HCP Project Timelines

Estimated completion date for the HCP is late-2008. Approximate dates for major project milestones:

April 03	Consultant contract awarded & public scoping meetings
November 05	Public Participation - Review of the draft strategies
April 06	Completion of draft conservation strategies
August 06	Development of alternatives for the Draft HCP/EIS
April 07	Publish and distribute Draft HCP/EIS
Apr 07 – June 07	HCP/EIS public comment period
April 08	Publish and distribute Final HCP/EIS
September 08	Publish Record of Decision
October 08	Permit issuance

Resource Management Section – The resource management section includes the specialists (hydrologist, soil scientist, fisheries biologist, wildlife biologist) which provide overall programmatic expertise and technical support for the forest management program.

- Assisted Land Offices with MEPA analysis and contract design for 10 timber sales.
- Provide technical assistance to area land office resource specialists on 11 timber sales.
- Assisted SLO with wildlife analysis and report for Redlodge land banking project.
- Provided funding, oversight and technical review of Headquarters Bald Eagle Monitoring Project.

- Assisted Forest Operations Section with review of timber sale contracts, cat ex documentation, and other issues.
- Provided review, drafted comments, and assisted with economic analysis of proposed lynx critical habitat.
- Assisted Land Offices with noxious weed evaluations and bio-control distribution.
- Assisted SWLO and Agriculture and Grazing Bureau with Cooperative Weed Agreements.
- Coordinated and provided technical input to Swan grizzly bear research and monitoring technical team.
- Coordinated and reviewed annual Swan Valley Grizzly Bear Conservation Agreement Monitoring Report.
- Participated in Northern Continental Divide Ecosystem Subcommittee and MFWP grizzly bear conservation strategy meetings.
- Participated in DEQ's Statewide Technical Advisory Committee for TMDL program.
- Completed fish habitat surveys and stream temp monitoring on 25 sites.
- Completed surveys and fish passage designs for 3 stream crossing structures.
- Compiled fish habitat and riparian data for pre- and post- harvest monitoring in Swan State Forest and Dillon Unit.
- Continued riparian soil temperature monitoring in Cilly Creek, Swan State Forest.
- Completed 11 Internal BMP Audits on DNRC Timber Sales.
- Compiled existing watershed inventory data into database.
- Completed soil monitoring and woody debris surveys on 4 timber sales.
- Compiled draft soil monitoring reports for 2 monitoring projects.
- Assisted Forestry Division with 2006 Statewide BMP Audits.
 - Participated in BMP Workgroup
 - Participated in Fish Passage Technical Workgroup
 - Acted as West Audit Team Leader.
- Assisted in Development of DNRC Forest Lands HCP.
 - Assisted HCP Project Manager with contract amendment, contract administration and management of project budget.
 - Developed Cooperative Agreement with USFWS for administration of \$394,000 in HCP funding.
 - Development and submitted a grant application to the USFWS for an additional \$840,000 in HCP funding.
 - Participated in HCP Planning Team (HPT) and coordinated activities of Aquatic Technical Workgroup and Terrestrial Technical Workgroup.

Overall Forest Management Bureau Items

- Conducted a combined 2-day FMB/REMB Program at Whitefish.
- Assisted NWLO in developing a 1-day leadership summit.
- Developed and conducted a 1-day Orientation and a 1-day MEPA Shortcourse for the Forest Management new hires (January 18-19, 2006).
- Prepared EPP proposals and draft bill language for upcoming legislative session.

MINERALS MANAGEMENT

- School trust mineral revenues totaled \$42.7 million in FY2006.
- MMB conducted four quarterly lease sale auctions; 1,203 leases/licenses prepared, processed, and issued.
- 1,312 leases/licenses cancelled or terminated.
- 18,002 revenue transactions processed.
- Created/revised or terminated 250 CA's/RAU's.
- Prepared 13 reconciliation reports of SABHRS and TLMS.
- 1,312 lease assignments prepared and processed.
- 5 full field audits conducted, 11 additional audits in progress.
- 8 Navigable river reviews completed, 6 quiet title actions ongoing.
- 650 BOGC technical reviews completed, 358 required a state impact review, follow-up, response or expert testimony.
- O&G BMP manual and field training completed.
- Reliance Refinery: The revised partial consent decree between DNRC and DEQ received district court approval in March 2006. BNSF opposed the approval and has appealed to Montana Supreme Court. Final Data Summary Report completed by DEQ.RDGP grant request submitted, with funding request prepared for 07 legislature.
- Otter Creek: Property Summary Report completed. Discussions with GNP, CoalMont and interested coal companies ongoing.
- Coal lease renewals processed.
- Internet mail-out of O&G lease sale information; additional TLMS work needed, anticipate completion and implementation in FY07.
- Corrected TLMS data migration errors.
- TLMS reports and completion of initial implementation ongoing.
- Lease scanning into TLMS up to date and ongoing.
- Assignment title history into TLMS: Additional TLMS work required for data migration/input to begin, anticipate FY07 completion.
- Historic control card information: Completion of data scan/input anticipated in FY07.
- GIS O&G ownership layer: Error checking of draft layers ongoing. Link to BOGC anticipated in FY07.
- Web access for O&G take-off requests pilot project completed. Testing in progress.
- Coal Trust Loan: Interest payments processed monthly, quarterly loan principal payments paid, including additional \$5.4 million buy down of principal loan balance.
- OG royalty rate review completed; 16.67% royalty rate approved by Land Board and implemented.
- OG surface payments review completed and implemented.
- Jansky Land Exchange Proposal: R/W provided by applicant with offered parcels defective. Anticipate submittal for revised R/W in FY07.
- Mineral ownership reviews completed as needed for other land exchange/banking tracts.

- Training for field staff included O&G BMP (manual), other issues on an ad hoc basis. Training for bureau staff included supervisor and employee skills courses, and professional-technical seminars as opportunities arose.

REAL ESTATE MANAGEMENT

Property Management

- Billed and received revenues for the following types of leases and licenses:

<u>Real Estate Management Revenues in Fiscal Year 2006</u>	
Residential/Residential Accessory Leasing	\$1,133,862
Community Facilities Leasing	13,149
Commercial Leasing	242,643
Communication Site Leasing	25,201
Industrial Leasing	45,018
Institutional Leasing	53,937
Rural Commercial/industrial Leasing	48,669
Conservation	85,316
Developed Recreation	125,721
Other Leases	19,293
Licenses – all types	303,646
Easements	1,075,914
Recreational use	
General Licenses	52,759
Conservation Licenses	881,276
Special Recreational Use Licenses	<u>103,613</u>
Total	\$4,210,017

- Completed homesite renewals in the following area offices:

SWLO – 87	CLO - 3
NWLO – 71	SLO – 1
NELO – 5	ELO - 0

Commercial Leasing

- Issued a lease with the Department of Military Affairs for a National Guard Readiness Center in Miles City
- Issued a lease for truck scales for the Gallatin County landfill in Logan.
- In the process of issuing leases on the Spring Prairie Center in Kalispell:
 - Holiday Inn Express hotel lease.
 - U.S. Forest Service building ground lease.
 - Anticipating Phase III development of an existing commercial lease.
 - Negotiating leases in the Bozeman area:

- Concrete "precast" facility on 20 acres of the Mandeville subdivision.
- Mini-storage facility on 10 acres of the Mandeville subdivision.
- Irrigation supply business on two lots of the Lewis & Clark subdivision.
- Moving forward with Phase III of a commercial wind energy lease near Springdale.

Judith Gap Wind Farm

Construction of the 150 megawatt 90 turbine wind farm started in late spring 2005 and became operational in the end of 2005. The wind farm is projected to produce approximately \$52,000 yearly for the trust.

Valley County Wind Energy Project

The public review environmental assessment was completed in June 2006. Plans have the wind farm designed to be constructed in four phases. At the completion of the project in 2016, there will be 43 wind turbines on state land, and the 134 turbines in the project will generate 500 MW of electricity. The first phase is anticipated to begin operation in 2008, and it will have 33 turbines.

Whitefish Neighborhood Plan

The Whitefish Area Trust Lands Neighborhood Plan, which was approved by the Board of Land Commissioners in July 2005, is now providing guidance for the development of trust lands in the Whitefish area. Three proposals have been recently presented to the Trust Lands Management Division.

Land Sales and Acquisition

Fifty-five parcels were processed in the Land Banking program, and 10 were taken to sale in FY 2006. Total revenue generated by the sale of the 2645.2 acres was \$6,950,400. The Common Schools Land Banking fund received \$6,889,600, and the State Industrial School fund received \$60,800. Parcels are presently being evaluated for acquisition to replace sold acreage.

Exchanges

Presently there are four land exchanges (CB Ranch, Creech, Five Valleys, and Lolo) in various stages of completion.

Non-trust Land Activity

There has been an ongoing maintenance of an inventory database. In FY 2006, the following transactions involving state property were facilitated:

- Department of Corrections: Transfer of a parcel in Boulder to Jefferson County for the proposed construction of a methamphetamine treatment center.

- Department of Commerce's Montana Heritage Preservation & Development Commission: Acquisition of the Pioneer Cabin & Caretaker's House in Last Chance Gulch.

Recreational Use

The total number of conservation licenses for FY 2006 was 440,638, which generated \$881,276 in revenue. A total of 5,533 general recreational use licenses was sold with revenue of \$52,759.

Real Estate Management Programmatic Plan

Training sessions for project selection and prioritization were conducted. Preparation of the first Real Estate Identification Team meeting was ongoing.

Rights-of-Way

There were 577 rights-of-way applications presented to the Land Board for approval. Of these requests, 474 were historic easement applications submitted under §77-1-130 MCA.

Appraisals

The process of creating overall appraisal guidelines was started in FY 2006. The guidelines are to help standardize and streamline the appraisal process and should be completed in FY 2007.

CENTRAL LAND OFFICE

Forest Product Sales

- Sold 4.5 MMBF of timber.
 - Lone Tree Pass (1066 MBF)
 - Miner Ditch (275 MBF)
 - Cellar Gulch (208 MBF)
 - Rattlesnake Salvage (1000 MBF)
 - Skidway II (473 MBF)
 - Woods Creek (761 MBF)
 - Valley Creek (SLO- LA) (250 MBF)
 - Permits (858 MBF)
- Prepared 4.9 MMBF of timber for sale.
 - Valley Creek (250 MBF)
 - Lone Tree Pass (1066)
 - Miner Ditch (275 MBF)
 - Crown Butte (1400 MBF)
 - Skidway II (473 MBF)
 - Rattlesnake Salvage (1000 MBF)
 - Permits (402 MBF)

- Assisted with HCP Planning (DJ Bakken is eastside representative).

Forest Improvement

- Completed regeneration surveys on 140 acres.
- Completed approximately 30 acres pre-commercial thinning.
- Completed approximately 66 acres weed spaying on timber sale sites.

Minerals Management

- Conducted renewal inspections for gravel leases and permits.
- Conducted inspections for oil and gas renewals in Conrad Unit.

Agriculture and Grazing Management

- Completed inspections on 251 leases expiring 2/28/2006.
- Administered the existing 3,667 grazing leases.
- Completed 35 weed treatment projects on trust lands.

Real Estate Management

- Participated on advisory committees and working groups as requested.
- Completed renewal inspections for 5 special leases.
- Processed easement applications.
- Administered recreational use management rules on state lands in CLO.
- Administered 46 Active Special Recreational Use Licenses for Outfitting.
- Administered 211 Active Land Use License within CLO.

EASTERN LAND OFFICE

Agriculture and Grazing Management Bureau

- Completed FY 2007 lease renewals.
- Completed 50% of FY 2008 lease renewals (approx. 150).
- Sent out 5 lease action/control letters (no stipulations) for surface lease violations.
- Weed management.
 - Attended 2006 Noxious Weed Meeting and Seminar in Great Falls = ELO LUS in attendance.
 - Reissued and certified 4 ELO LUS and Forester staff with Montana Herbicide and pesticide applicators licenses.
 - Custer County = Recon 2400 acres of Trust Land and treated approx. 100 acres.
 - Carter County = Recon 2770 acres and treated approx. 95 acres of Trust Land.

- Garfield County = Recon 640 acres and treated approx. 15 acres of Trust Land.
- Dawson County+640 acres of Recon and treated approx. 25 acres of Trust Land.
- Richland and Prairie Counties = distributed \$1250 each for trust land lessee cost share program.
- \$2500 was awarded to the Lower Yellowstone Salt Cedar Working Group for purchase of chemicals and supplies.
- Worked multiple independent control projects throughout the ELO (Leafy spurge, Canadian thistle, Spotted knap weed, Salt Cedar and others).
- Conducted follow up investigations of the effectiveness of noxious weed projects on ELO Trust Land.
- Coordinated with the Lower Yellowstone Salt Cedar Group to explore action alternatives and treat salt cedar infestations along the Yellowstone River.
- Coordinated with Custer County Weed District to develop a comprehensive weed management plan for a Leafy spurge infestation in the Knowlton Trust Land area.

Forest Management Bureau

- Conducted timber salvage and sales:
 - East Sarpy Salvage = 571M bdf (Assist to SLO)
 - Coalstrip Permit = 100M
 - Aspen Salvage = 200M

Minerals Management Bureau

- Conducted approx.:
 - 20 Oil and Gas field reviews.
 - 1 Seismic permit
- Established 8 new LULs for gas and oil pipelines.

Real Estate Management Bureau

- Custer County Land Banking Sale completed August 8, 2006. (9,585 acres)
- Garfield County land banking sale conducted October 4, 2006. (Approx. 9,800 acres).
- Coordinated Road Use Easement with Hell Creek State Park within the CMR National Wildlife Refuge.
- Coordinated and facilitated REMB – Department of Corrections, Department of Military Affairs and private parties the lease and potential sale of DOC lands as a light commercial park development.

NORTHEASTERN LAND OFFICE

Forest Product Sales

- Forest products sold: Maiden Timber Sale = 1,200,000 BF
- Timber permits = 50,000 BF

Mineral Management

- Oil and gas lease reviews = 464
- Oil, and gas wells and pipelines = 36
- Oil and gas seismic exploration = 15
- New gravel permits = 2

Agriculture and Grazing Management

- Lease evaluations and renewals = 376 leases
- Corrective lease stipulations implemented - 40
- Weed management = County weed plans in place in all thirteen NELO counties
All priority weed projects implemented or in progress
Extensive biological control efforts undertaken

Real Estate Management

- Judith Gap Windfarm operational in December 2005.
- New land use licenses = 15
- Total land use licenses = 123
- Recreational Use Program:
 - New Outfitting licenses - 5
 - Outfitting licenses (SRUL) renewals = 28
 - Multiyear licenses = 12
 - Amendments to SRULs processed = 4
 - Trapping licenses (RU3) - 7
- Easement applications processed = 288

NORTHWESTERN LAND OFFICE

Personnel

- Continued implementation of the NWLO reorganization. Hired Area Operations Manager, Trust Land Program Manager, Community Planner, and Trust Land Administrative Assistant. CMS was contracted to develop new and update effected position descriptions; including the Forest Improvement specialist and Fiscal/Contract

specialist. NWLO created a business management/fiscal section and hired a Business Manager.

- 32 employees awarded (formal awards).
- 68 performance appraisals.
- 5 accountability/disciplinary actions undertaken.
- 315 man-days of training provided to permanent employees.

Forest Product Sales

- Timber Sale Volume prepared for sale.
- Timber Sales 30,850,000 board feet.
- Timber Permits 1,324,000 board feet.
- Timber Sale volume harvested was 33,709,000 board feet for a value of \$8,814,848.96.

Real Estate

- 81 renewal inspections on cabin and home sites completed.
- 53 LULs and SRULs issued.
 - Auction SW1/4 Spring Prairie Residential Land for Land Banking.
 - Holiday Inn Express lease agreement and under construction on Spring Prairie.
 - Costco opened in the fall of 2005.
 - USFS awards lease development contract on Spring Prairie. Site to Goldberg Properties.
 - Whitefish Neighborhood Plan Implementation.
 - City of Whitefish “Trail Runs Through It”.
 - Goguen Land Exchange.
 - Britell’s Point of Pines access and sanitation.
 - Echo Lake Fishing Access site easement granted and under construction fall 2006.
 - Exploring Land Banking acquisitions in Flathead.

Minerals Management

- 11 small volume permits issued for decorative rock & gravel.
- 4 large volume permits issued for decorative rock.
- 5 other (gravel, personal).

Agriculture and Grazing

- 17 inspections completed on leases expiring.
- 1 Spring development.

Rights-of-Way Processed

- 8 cost-share accesses acquired, 36.46 miles, non cost-share 450.98 miles.
- 1 navigable river crossing processed.
- 23 temporary road use permits processed.
- 1 temporary road use permit extended.
- 1 assignments of R/W to Road Users Association (7 to non Road Users Association).
- 2 outright grants.

<u>Cost-Share</u>	<u>Miles</u>	<u>Non Cost Share</u>
Drywilkes	8.06	0.24
Mudd	1.45	
Deerhorn	6.56	
SwampRidge	4.11	
<u>Cost-Share</u>	<u>Miles</u>	<u>Non Cost Share</u>
Buck Cr.	4.20	
Whites Basin	3.70	
Werner Peak	.68	.74
Wild Horse	<u>7.70</u>	
Total	36.46	.98

Assignments

Mt. Mountain Valley	1
Sugarman	2
Richardson	1
Osborne	4

Navigable Rivers

Peschel-Stillwater	
FireHal	3-06
School	9-06

Forest Improvement

• Regeneration surveys	185 Acres	
• Tree planting planted)	1206 Acres	(243,932 trees
• Tree browse prevention	184 Acres	
• Precommercial thinning	1274 Acres	
• Noxious weed spraying	3601 Acres	
• Slash piling excavator, 223 dozer, 50 hand)	776 Acres	(503
• Pile burning	2433 Acres	
• Broadcast burning	350 Acres	
• Road Maintenance	96 Miles	
• Hand brush work	70 Acres	
• Roads inventoried and entered in data base	97.7 Miles	

SOUTHERN LAND OFFICE

Forest Management

- Coordinated with CLO, NELO, and ELO on timber management within SLO area and assisted when possible.
- Fred Bicha attended TLMD Forest Management training in Missoula.

Minerals Management

- Completed field reviews and assisted with EA's on the Badger Hills and Deer Creek North CBNG projects.
- Met with Fidelity, Nance, and Pinnacle about future CBNG projects.
- Worked on updated surface damages payments for CBNG.
- Involved in field inspection, EA completion, monitoring reclamation bond release on approximately 10 mineral projects.
- Provided comments to MMB on approximately 150 tracts going out for sale.
- Reviewed 3 gravel permits.
- Reviewed and met with 3 applicants and did field inspections for gravel testing.

Agriculture and Grazing Management

- Completed 60+ field evaluations for 2006 lease renewals by Nov 1st deadline.
- Completed 55 lease renewals for the 2007 renewals.
- Completed 4 re-evaluations for various reasons.
- Investigated and initiated follow-up action on 10 lease management problems.
- Took enforcement action and developed management stipulations on 10 leases.
- Processed applications for improvements, assignments, and pasturing agreements on 40+ tracts.
- Review, verify and adjust 38 over/under classified tracts.
- Administered Federal Farm Program.
- Completed Federal Crop Insurance review and processing on 20+ sections in Sweet Grass, Yellowstone, and Musselshell Counties.
- Participated in 4 EQIP meetings.
- Completed field reviews for bridge crossing on the Boulder River.
- Identified and implemented control methods on 36 noxious weed projects throughout the 7 county SLO area.
- Attended meetings with the 7 county weed supervisors regarding the above mentioned 36 projects and to assess the success and status of previous years projects.
- Conducted a flea beetle collection day with the Carbon County weed staff and collected approximately 1 million bugs on state section Section 36, T5S, R23E.
- 4+ field reviews at request of general public or lessees regarding violations, management plans, etc.
- Monitored over 50 leafy spurge biocontrol sites on 6 state tracts.

Real Estate Management

- Completed 3 homesite/special lease inspections.
- Issued 4 Land Use Licenses and processed 6 Easements.
- Participated on working groups and advisory committees.
- Worked with Yellowstone County Commissioner's on Jellison road parking lot.
- Coordinated with FWP on signing 10 sections of state land.
- Surveyed 3 different tracts with GPS and signed.
- Administered SRUL's for 11 outfitters, 2 trappers, and 3 special requests.
- Investigated and completed follow-up on 30 recreational use complaints.
- Participated on Yellowstone River Challenge to explore recreational access.
- Participated on Crossing the Barriers group to address issues for disabled recreationists.
- Participated on Real Estate Identification team meetings.
- Participated in the City of Billings Corridor Study for the Inner Belt Loop roadway that would connect Wicks Lane with Zimmerman trail.
- Assisted in the sale of 3 Land Banking parcels in Treasure County, including conducting the auction. Also coordinated preparation of wildlife assessment that was included in EA for tract in Carbon County.
- Teamed with REMB to prepare RFP for a windfarm near Springdale. Currently in Phase 2 of RFP process.
- Assisted DPHHS by issuing an emergency construction license to allow the Town of Columbus to upsize and relocate a water line that traverses DPPHS owned property.
- Administered contracts for the Master Plan update, Traffic accessibility Study, and submission of zone change and subdivision applications for proposed Skyview Ridge Subdivision in Billings Heights.
- Held 3 neighborhood meetings for owners surrounding Skyview Ridge to get feedback on zoning and subdivision issues.
- Made presentation regarding PEIS ROD to Treasure County Planning Board, Sweet Grass County Planning Board, and Yellowstone County Park Board.
- Attended Zoning Commission, Planning Board, City Council, and County Commission hearings to listen to testimony on land use applications near Trust lands.
- Participated in the City of Billings efforts to create a neighborhood plan for the Billings Heights.
- Attended MT Association of Planners annual conference in Helena.
- Two employees attended Road Law Workshop in Helena.
- Posted signs, drove fence posts, and fixed fencing and gates on a continual basis to discourage/discontinue illegal motorized access and damage to Trust land from adjoining City of Billings park property.
- Participated interagency group pursuing access trail to Crater and Lily Pad lakes.
- Reviewed two potential land exchange proposals.
- Completed 3 boundary line surveys.
- Reviewed a domestic water line across state section near Billings.
- Evaluated 1 decorative rock request in Carbon County.
- Cleaned up tire pile at Columbus with assistance from DEQ.

SOUTHWESTERN LAND OFFICE

Personnel Management

- Identified candidates for annual and special awards. Recognition given for Forester of the Year - Storer, TLMD Administrators Award - Hayes, special recognition for TLMS Implementation Assistance - Holtom.

Enhance Rate of Return from Trust Lands

- Continue working on land exchanges
 - Miller Exchange – disapproved by land board
 - Lolo NF Exchange – in progress
 - Tarkio Exchange – in progress
 - CB Ranch Exchange – in progress
 - Creech Exchange – in progress
- Work on Proposals for Land Banking
 - Meyer Ranch Sale
 - River Junction Sale
 - Lincoln Acquisition
 - Monture Acquisition
 - Tupper Lake Acquisition

Agriculture and Grazing Management

- Completed all FY06 lease/license renewal inspections and submitted reports to AGMB by November 1
- Did not initiate FY07 lease renewal inspections
- Completed County Cooperative Weed Performance Reports by 9/15
- Fully utilized available Org 6032 monies for weed control projects
- Provided lists of known hazardous waste sites to AGMB (reviewed reports from TREC)

Forest Product Sales

- Prepared 15,647 MBF. Mutually decided (FMB & SWLO) to delay taking Roman-Sixmile to the Board. Will not credit 553 MBF (the difference between 16.2 and 15.647) to FY07 prepared volume.
- Completed FI projects w/i budgets. Were successful in r/w acquisitions despite policy and budgetary changes. Concerned these changes will impair our future abilities to obtain access.
- Completed Evans Lake TS snag & cwd monitoring. Rapid harvest of sales has hindered setup of pre-harvest monitoring transects.

- Cooperative Weed Management Agreements w/Counties were not renewed. Discussed with Kevin Chappell and agreed to get them renewed prior to December 31, 2006.

Forest Improvement

Accomplishments submitted to Scott McLeod.

- Planted 257,616 trees on 900 acres.
- Completed 110 ac of plantation/regeneration surveys.
- Completed 211 ac of pre-commercial thinning.
- Completed 88 ac of noxious weed spraying.
- Completed 900 ac of tree browse prevention
- Collected 426 bushels of cones for seedling production
- Biocontrol Bug Releases 110 acres (11 sites).
- Completed 900 ac of herbicide application (vegetation control associated with planting).
- Machine piled brush on 574 acres.
- Road maintenance on 4.5 miles.
- Hand brush work on 70 acres.
- Burned brush piles on 624 acres
- Broadcast burning on 67 acres
- The Elk Creek broadcast burn was a cooperative effort with the BLM. The Deerlodge correctional crew was utilized for this joint effort.

R/W Acquisition and Reciprocal Access

- Acquired 7.61 miles of road easement through purchase and reciprocal access agreements.
- Granted 4.05 miles of reciprocal road easements.
- Public Access Received – 1,990 acres
- Total Trust Acres Accessed – 4,719 acres

Minerals Management

- Processed all applications for sand and gravel permits (1 permit - Helena Sand & Gravel @ Lincoln Airport).
- No other permits processed – slow year.

Real Estate Management

- Inspected all cabin/homesite leases/licenses up for renewal review – inspected 48 leases/licenses. Contract w/Andreozzi working very well.
- Problems w/ lease administration Grant Creek trespass.

- Completed land surveys for Grant Creek, Sperry Grade, Morrell Creek and Morrell Flats.
- Completed RFP template for Reserve Street and continued to market the two commercial lots.
- Nominated state inholding Section 10 (Rock Creek Cattle parcel) for Landbanking.
- Participated in Seeley lake Plan with Seeley lake Community Council and Clearwater Resource Council for land designation on airport parcel. Continued efforts to secure access to parcel with High School Board.

Restoration Activities on Trust Land

Agriculture and Grazing Management

- Completed inspections for approximately 913 leases containing 1,332 tracts. Twenty-four leases were issued with five year terms, the balance for ten year terms. Approximately 26 leases were issued with associated agriculture uses and 91 leases issued with special lease stipulations.
- Conducted nineteen cultural/paleontologic inventories, which covered a total of 5,800 acres of land, including 4 road easements, 1 stock water pipeline project, 6 timber sales, 6 range renovation proposals, 2 wind farm development sites, 2 sod break proposals, and 5 Parcels nominated for Land Banking (3,200 acres).
- Conducted willow collections for the Big Hole Grayling restoration project and the Red Rock Grayling stream enhancement project.
- Submitted 56 county weed management biennial performance reports to the Montana Department of Agriculture.
- Collected and redistributed weed bio-control agents statewide.

Forest Management

- Obliterated 6.17 miles of road in Stream Management Zone (SMZ) areas or where sediment issues were a concern.
- Replaced or removed 19 stream crossings to address fish passage and sediment issues.
- Planted trees on 2,106 acres.
- Completed head gate installation on Beaver Creek and irrigation ditch stabilization associated with the Phoenix Timber Sale. Joint project between DNRC and Montana Department of Fish, Wildlife & Parks (FWP) which resulted in restored streamflows in Beaver Creeks and reduced sediment in Bear Creek to improve native fisheries and water quality.
- Planted 232,727 trees in the Sula State Forest on 850 acres. Since FY 2002, 566,536 trees have been planted on approximately 2,215 acres.
- Completed prescribed burn at Elk Creek with the Bureau of Land Management (BLM). The project reduced logging slash and understory fuels. A total of 268 acres were treated, of which 67 acres were trust land and the remainder BLM acres.

- Completed prescribed burn of 350 acres of trust land and 20 acres of private land west of Sophie Lake in the Northwestern Land Office Area. The project was cooperative effort with the Rocky Mountain Elk Foundation and FWP to reduce logging slash, prepare seedbeds for regenerating trees, and enhance forage quality and quantity for wintering elk.

Trust Land Reclamation Projects.

- Completed tire pile clean up at Columbus with assistance from DEQ. The project was completed May 26, 2006 with 3,000 tons of shredded tires and 5,200 tons of burned soil, tires, and debris removed from the site.
- Completed the Dry Gulch Project. The site west of Missoula had been used as an illegal dumping site for trash, household appliances, etc. The cleanup was partially funded by a Montana Renewable Resource Grant. Jersey rail fence barricades were installed to restrict vehicle access.
- Completed the Deadman Gulch project, which involved the cleanup of an abandoned gravel pit and obliterating a road to restrict vehicle access. Trash and debris was removed and the area re-seeded.
- Completed reclamation of the “Moonscape Pit” area northwest of Shelby. Funding for the project was provided by DEQ from the Abandoned Mine Reclamation Fund.